

**ENTERED**

August 18, 2022

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

**In re:****FIELDWOOD ENERGY III LLC, *et al.*,****Post-Effective Date Debtors.<sup>1</sup>****FIELDWOOD ENERGY III, LLC AND  
GOM SHELF LLC,****Plaintiffs,****v.**

**EVEREST REINSURANCE  
COMPANY, PHILADELPHIA  
INDEMNITY INSURANCE  
COMPANY, HCC INTERNATIONAL  
INSURANCE COMPANY PLC,  
APACHE CORPORATION, APACHE  
SHELF, INC., APACHE DEEPWATER  
LLC, AND APACHE SHELF  
EXPLORATION LLC**

**Defendants.****§ Chapter 11****§ Case No. 20-33948 (MI)****§ (Jointly Administered)****§****§****§****§****§ Adv. Proc. No. 21-03418 (MI)****§****§****§****§****§****§****§****§****§****§**


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<sup>1</sup> The Post-Effective Date Debtors, along with the last four digits of each Post-Effective Date Debtor's federal tax identification number, as applicable, are: Fieldwood Energy III LLC (6778); Fieldwood Energy Offshore LLC (4494), Fieldwood Energy Inc. (4991), GOM Shelf LLC (8107), and FW GOM Pipeline, Inc. (8440). Fieldwood Energy III LLC, Fieldwood Energy Offshore LLC, and Fieldwood Energy Inc. are managed and operated by the Plan Administrator, whose primary mailing address is 16255 Ventura Blvd., Suite 440, Encino, CA, 91436, C/O of Province LLC. GOM Shelf LLC and FW GOM Pipeline, Inc. (collectively, the "**Post-Effective Date FWE I Subsidiaries**") are managed and operated by Jon Graham, as sole manager of each Post-Effective Date FWE I Subsidiary. The Debtors in the other nine pending chapter 11 cases (which continue to be jointly administered with the cases of the Post-Effective Date Debtors), each of which have either been dissolved or merged into other entities as of the Effective Date, consist of the following: Dynamic Offshore Resources NS, LLC (0158); Fieldwood Onshore LLC (3489); Fieldwood SD Offshore LLC (8786); Fieldwood Offshore LLC (2930); Bandon Oil and Gas GP, LLC (9172); Bandon Oil and Gas, LP (9266); Fieldwood Energy SP LLC (1971); Galveston Bay Pipeline LLC (5703); and Galveston Bay Processing LLC (0422).

**STIPULATION AND ORDER DISMISSING ADVERSARY PROCEEDING**

Pursuant to Rule 7041 of the Federal Rules of Bankruptcy Procedure and Rule 41 of the Federal Rules of Civil Procedure, Plaintiffs Fieldwood Energy III, LLC<sup>2</sup> (“**Fieldwood**”), Fieldwood Energy Offshore LLC, Fieldwood Energy Inc., GOM Shelf LLC, and FW GOM Pipeline, Inc. (collectively, the “**Post-Effective Date Debtors**”) and Defendants Everest Reinsurance Company (“**Everest**”), Philadelphia Indemnity Insurance Company (“**Philadelphia**”), and HCC International Insurance Company PLC (“**HCCI**” and, together with Everest and Philadelphia, the “**Surety Defendants**”), as well as Apache Corporation (“**Apache**”), Apache Shelf, Inc., Apache Deepwater LLC, and Apache Shelf Exploration LLC (collectively, the “**Apache Defendants**,” and together with the Post-Effective Date Debtors and the Surety Defendants, the “**Litigation Parties**”) hereby file this joint stipulation of dismissal with prejudice of Adversary Proceeding Case No. 21-03418 (the “**Adversary Proceeding**”) and hereby stipulate as follows:

**WHEREAS**, on June 25, 2021, the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”) entered the *Findings of Fact, Conclusions of Law, and Order (I) Confirming Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and Its Affiliated Debtors and (II) Granting Related Relief* [Bankr. Ct. Docket No. 1751] (the “**Confirmation Order**”), confirming the *Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and Its Affiliated Debtors* [Bankr. Ct. Docket No. 1742] (including any exhibits and schedules thereto and as may be further amended, supplemented, or modified, including at Bankr. Ct. Docket No. 2008, the “**Plan**”).<sup>3</sup>

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<sup>2</sup> As contemplated by the Plan, Fieldwood Energy LLC changed its name to Fieldwood Energy III LLC following a Divisive Merger pursuant to the Initial Plan of Merger.

<sup>3</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

**WHEREAS**, pursuant to the term sheet between the Debtors, the Apache Defendants, and Zurich American Insurance Company<sup>4</sup> (“**Zurich**” and, together with the Surety Defendants, the “**Apache Sureties**”), annexed as **Exhibit B** to the Confirmation Order (the “**Apache-Surety Term Sheet**”), the Debtors, the Apache Defendants, and the Apache Sureties (together, the “**Settling Parties**”) agreed (i) to stipulate that as of the Effective Date, all claims against the Debtors and Apache, including those asserted by the Surety Defendants and described in the Debtors’ *Adversary Complaint for Declaratory Judgment* filed at Docket No. 1 (the “**Complaint**”) shall be released and (ii) the Adversary Proceeding shall be dismissed with prejudice.

**WHEREAS**, on August 27, 2021, the Settling Parties executed that certain *Subrogation, Subordination, and Payment Agreement* (the “**SSPA**”), pursuant to which the Settling Parties memorialized the terms of the Apache-Surety Term Sheet and agreed, among other things, that (i) except as specifically provided for in the SSPA and in the Confirmation Order, all claims of the Apache Sureties against the Debtors and Apache Defendants shall be released as of the Effective Date and (ii) the Adversary Proceeding shall be dismissed with prejudice and that an agreed order effectuating the same shall be filed with the Bankruptcy Court.

**WHEREAS**, on August 27, 2021, the Effective Date of the Plan occurred [Bankr. Ct. Docket No. 2016], thereby releasing all claims of the Apache Sureties against the Debtors and the Apache Defendants as of the Effective Date except as specifically provided for in the SSPA and in the Confirmation Order.

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<sup>4</sup> Zurich is a party to the SSPA and the Apache Surety Term Sheet, but Zurich was not named as a party to this Adversary Proceeding and nothing in this Stipulation is intended to imply that it was a party to the Adversary Proceeding.

**WHEREAS** the Litigation Parties hereby stipulate to the dismissal of the Adversary Proceeding pursuant to the SSPA with prejudice pursuant to Rule 41(a)(1)(A)(ii) of the Federal Rules of Civil Procedure.

**WHEREAS** the Litigation Parties hereby withdraw from the Court's consideration all pending motions and responses in the Adversary Proceeding.

**WHEREAS** the Litigation Parties hereby stipulate and agree that the dismissal of the Adversary Proceeding shall not alter or affect the rights of any Party under the SSPA or the Confirmation Order, which documents speak for themselves.

**NOW, THEREFORE, IT IS STIPULATED, AGREED, AND ORDERED** as follows:

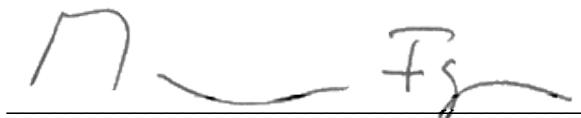
1. Pursuant to the terms of the SSPA, the Adversary Proceeding is dismissed with prejudice pursuant to Rule 7041 of the Federal Rules of Bankruptcy Procedure and Rule 41 of the Federal Rules of Civil Procedure, and all pending motions in the Adversary Proceeding are hereby withdrawn and denied as moot. The Parties are to bear their own costs and expenses.

2. The undersigned who executes this Stipulation by or on behalf of the respective Litigation Party represents and warrants that he or she has been duly authorized and empowered to execute and deliver this Stipulation on behalf of such Litigation Party.

3. This Stipulation shall not be modified, altered, amended or vacated without the written consent of all of the Litigation Parties or by further order of the Court.

4. The Court retains jurisdiction to resolve any disputes or controversies arising from this Stipulation.

Signed: August 18, 2022



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Marvin Isgur  
United States Bankruptcy Judge

IN WITNESS WHEREOF, this Stipulation has been executed and delivered as of the day and year first below written.

Dated: August 17, 2022

By: Robin Russell

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